

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

<b>UNITED STATES OF AMERICA</b>	<b>:</b>	<b>CRIMINAL NO.</b>
<b>v.</b>	<b>:</b>	<b>DATE:</b>
<b>CHAD DOUGLAS BROUDY</b>	<b>:</b>	<b>VIOLATIONS:</b>
	<b>:</b>	<b>18 U.S.C. §1343 (Wire Fraud – 2 counts)</b>
	<b>:</b>	

**INFORMATION**

**COUNT ONE**

**THE UNITED STATES ATTORNEY CHARGES THAT:**

At all times material to this information:

1. Company A was a global e-commerce company that provided an online venue for persons to buy merchandise from others or to sell merchandise to others.
2. As part of its platform for these sales and purchases, Company A processed the payments for the completed transactions.
3. In approximately March of 2016, Company A activated a new software program to process payments which had a glitch. Because of this glitch, online users of Company A could over-redeem Company A gift cards under certain unique and rare circumstances. This allowed a customer to use a gift card over and over again with no diminution in the gift card's value.
4. Company A discovered and corrected this software error on or about January 10, 2017.

**MANNER AND MEANS**

5. On or about October 29, 2016, defendant CHAD DOUGLAS BROUDY discovered that he could reuse a Company A gift card if he exploited the glitch in Company A's payment processing software under certain unique circumstances, and that under these unique circumstances he could over-redeem a Company A gift card.

6. Between approximately October 29, 2016 and January 10, 2017, defendant CHAD DOUGLAS BROUDY intentionally exploited this software glitch in order to defraud Company A, using approximately four different Company A accounts and approximately 113 different Company A gift cards to conduct approximately 1100 Company A transactions under the unique circumstances that would trigger the glitch.

7. During the course of these approximately 1100 transactions, defendant CHAD DOUGLAS BROUDY over-redeemed approximately \$320,582 in order to obtain more than 3,000 items via the Company A website.

8. Between on or about October 29, 2016, and on or about January 10, 2017, in the Eastern District of Pennsylvania and elsewhere, defendant

**CHAD DOUGLAS BROUDY**

devised and intended to devise a scheme to defraud Company A of money.

**The Wire Communications**

9. On or about the dates shown below, in the Eastern District of Pennsylvania and elsewhere, defendant

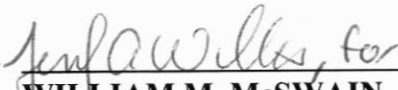
**CHAD DOUGLAS BROUDY**

having devised and intending to devise the scheme described above, for the purpose of executing the

scheme, caused to be transmitted by means of wire communication in interstate commerce the signals and sounds described below for each count, each transmission constituting a separate count:

Count	Date	Description
1	10/29/16	Transmission of gift card information to Company A in support of a \$470.00 purchase, knowing that the gift card would not be deducted.
2	1/10/17	Transmission of gift card information to Company A in support of a \$303.02 purchase, knowing that the gift card would not be deducted.

All in violation of Title 18, United States Code, Section 1343.

  
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**WILLIAM M. McSWAIN**  
**UNITED STATES ATTORNEY**